

Message Text

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ORIGIN OPIC-06

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FM SECSTATE WASHDC

TO AMEMBASSY DACCA

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FROM OPIC

E.O. 11652: N/A

TAGS: EINV

SUBJECT: AMERICAN EXPRESS

1. ON AUGUST 15, OPIC MET WITH REPRESENTATIVES OF AMERICAN EXPRESS, INCLUDING LESTER A. PFEFFER, MANAGER - EXPORT FINANCING AND G. GIEBEL, VICE PRESIDENT, OF THE DACCA BRANCH. DURING THE MEETING, AMERICAN EXPRESS OUTLINED ITS PLANS FOR PROJECT FINANCING IN BANGLADESH AND EXPRESSED CONSIDERABLE INTEREST IN OBTAINING OPIC INSURANCE WHICH AMERICAN EXPRESS BELIEVES WILL BE VITAL IN SYNDICATING NEEDED PROJECT LOANS.

2. DURING THE MEETING, OPIC MADE CLEAR ITS INTEREST IN OFFERING AMERICAN EXPRESS BENEFITS OF ITS NEW INSURANCE

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COVERAGE FOR INSTITUTIONAL LENDERS, SUBJECT TO THE RESOLUTION TO THE PENDING CLAIMS ISSUE.

3. FOLLOWING THE MEETING, OPIC ADDRESSED A LETTER TO AMERICAN EXPRESS WHICH STATED AS FOLLOWS:

QUOTE: MR. LESTER A. PFEFFER, MANAGER - EXPORT FINANCING,

COMMERCIAL BANKING DIVISION, AMERICAN EXPRESS INTERNATIONAL BANKING CORPORATION, AMERICAN EXPRESS PLAZA, NEW YORK, NY 10004

DEAR MR. PFEFFER:

I ENJOYED VERY MUCH OUR MEETING WITH MR. GIEBEL OF YOUR DACCA BRANCH ON AUGUST 15, 1978.

I WANT TO MAKE CLEAR OPIC'S POSITION ON PROVIDING INSURANCE IN BANGLADESH. AS I STATED, WE ARE MOST INTERESTED IN BEING OF ASSISTANCE IN FACILITATING AND SUPPORTING NEW PRODUCTIVE INVESTMENT IN LOW-INCOME COUNTRIES. IN LINE WITH THIS POLICY, WE WISH WE COULD BE OF ASSISTANCE TO YOU IN ARRANGING THE NECESSARY FINANCING FOR THE PROPOSED NEW LARGE CEMENT PLANT AS WELL AS FOR OTHER PROJECTS IN BANGLADESH.

I MUST EMPHASIZE, HOWEVER, THAT THERE CAN BE NO OPIC PARTICIPATION IN PROJECTS IN BANGLADESH UNLESS AND UNTIL THERE IS SATISFACTORY RESOLUTION OF THE PENDING CLAIM FOR NATIONALIZATION COMPENSATION WHICH HAS BEEN THE SUBJECT OF DISCUSSION BETWEEN OPIC AND THE GOVERNMENT OF BANGLADESH FOR A PROTRACTED PERIOD. WE THOUGHT A SETTLEMENT HAD BEEN ACHIEVED SEVERAL MONTHS AGO, BUT RESOLUTION APPEARS TO HAVE BEEN STALLED AGAIN BY DISAGREEMENT AND REVERSAL OF POSITION
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WITHIN THE GOVERNMENT OF BANGLADESH. CONSEQUENTLY, WE CANNOT PREDICT WHEN OPIC MAY BE ABLE TO OPERATE IN BANGLADESH, NOR DOES OUR RECENT EXPERIENCE PERMIT US TO ENCOURAGE U.S. INVESTORS TO ATTEMPT TO ENTER INTO BUSINESS RELATIONS WITH THE GOVERNMENT OF BANGLADESH.

IN THE EVENT THE GOVERNMENT OF BANGLADESH DOES RESOLVE THE ISSUE IN A BUSINESSLIKE MANNER, I SHALL SO INFORM YOU SO THAT WE MAY RESUME CONSIDERATION OF HOW OPIC CAN ASSIST YOU IN ARRANGING THE FINANCING NEEDED FOR THESE PROJECTS.

SINCERELY YOURS, SIGNED, ARVIN M. KRAMISH, SENIOR DIRECTOR FOR INSURANCE, NEAR EAST/ASIA - MIDDLE EAST/AFRICA, OPIC.
VANCE

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Message Attributes

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